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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

Board of Directors  
American Mental Health Foundation, Inc.  
PO Box 3  
Riverdale, NY 10471-0003

We have reviewed the accompanying statement of financial position of American Mental Health Foundation, Inc. (a nonprofit organization) as of October 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the fair preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Ross Wisdom CPA, PLLC.



Certified Public Accountant

New York, NY  
April 25, 2014

**AMERICAN MENTAL HEALTH FOUNDATION, INC.**  
**Statement of Financial Position**  
**At October 31, 2013**

**Assets**

**Current assets**

Cash-checking	\$ 12,321
Cash-money market - Citibank	1,112
Cash-money fund - Morgan Stanley Smith Barney	48,236
Total cash	61,669
Accounts receivable	3,842
Inventory - publications	2,500
Investments-securities (note 3)	597,435
Total current assets	665,446

**Fixed assets**

Equipment	847
Less: accumulated depreciation	(296)
Net fixed assets	551

**Total assets**

**\$ 665,997**

**Liabilities & net assets**

**Current liabilities**

Accrued expenses	\$ 4,531
Total current liabilities	4,531

**Total liabilities**

4,531

**Net assets**

Unrestricted	556,056
Permanently restricted (note 7)	105,410
Total net assets	661,466

**Total liabilities & net assets**

**\$ 665,997**

See accompanying notes and independent accountant's review report

AMERICAN MENTAL HEALTH FOUNDATION, INC.

Statement of Activities

For the year ended October 31, 2013

**Support & revenue**

Contributions	\$ 3,147
Royalties	400
Publications revenue, net	3,153
Interest & dividend income	30,753
Realized & unrealized gains (losses)	(18,708)
<b>Total support &amp; revenue</b>	<b>\$ 18,745</b>

**Expenses**

Program	\$ 158,055
Management and general	75,425
Fundraising	35,933
Total expenses	269,413

**Decrease in unrestricted net assets** **(250,668)**

<b>Net assets, beginning of year</b>	<b>912,134</b>
<b>Net assets, end of year</b>	<b>\$ 661,466</b>

See accompanying notes and independent accountant's review report

**AMERICAN MENTAL HEALTH FOUNDATION, INC.**

**Statement of Functional Expenses**

**For the year ended October 31, 2013**

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>
Officer salaries	\$ 141,833	\$ 70,917	\$ 42,550	\$ 28,366
Payroll taxes	9,643	4,821	2,893	1,929
Worker's compensation & disability	1,242	621	373	248
Employee benefit	271	136	81	54
Pension (note 4)	913	456	274	183
Accounting	4,760		4,760	
Bank charges	12		12	
Consulting fees	1,685		1,685	
Convention expenses	1,632	1,632		
Depreciation	169	84	51	34
Donation	1,111	1,111		
Dues & subscriptions	250		250	
Educational seminars	4,166	4,166		
Filing fees	125		125	
Fundraising expenses	1,158			1,158
Insurance	3,947		3,947	
Legal	332		332	
Office supplies & expense	75		75	
Payroll processing	2,147	1,074	644	429
Postage & shipping	911	456	273	182
Publicity & marketing expenses	7,574	5,985	1,059	530
Publishing & printing costs	2,806	2,217	393	196
Rent	5,500	2,750	1,650	1,100
Research (note 9)	58,150	58,150		
Royalties	2,371	2,371		
Travel & entertainment	2,032	508		1,524
Website expenses	13,998		13,998	
Website blogs	600	600		
<b>Total expenses</b>	<b>\$ 269,413</b>	<b>\$ 158,055</b>	<b>\$ 75,425</b>	<b>\$ 35,933</b>

See accompanying notes and independent accountant's review report

**AMERICAN MENTAL HEALTH FOUNDATION, INC.**  
**Statement of Cash Flows**  
**For the year ended October 31, 2013**

<b>Cash flows from operating activities</b>	
Decrease in net assets	\$ (250,668)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	169
Increase in receivable	(3,842)
Increase in accrued expenses	(8,469)
Decrease in credit card payable	(615)
Unrealized & realized (gains) losses on investments	18,708
<b>Net cash used by operating activities</b>	<u>(244,717)</u>
 <b>Cash flows from investing activities</b>	
Proceeds from sale of investments	276,859
<b>Net cash provided by investing activities</b>	<u>276,859</u>
 <b>Cash flows from financing activities</b>	0
 <b>Increase (decrease) in cash</b>	<u>32,142</u>
 <b>Cash, beginning of year</b>	29,527
<b>Cash, end of year</b>	<u><u>\$ 61,669</u></u>

See accompanying notes and independent accountant's review report

**AMERICAN MENTAL HEALTH FOUNDATION, INC.**  
**Notes to Financial Statements**  
**For the Year Ended October 31, 2013**

**1. Organization and Description of Operations**

American Mental Health Foundation, Inc. (AMHF) is a research organization dedicated to the welfare of people suffering from emotional problems, including the special needs of the disabled and elderly.

The organization was incorporated as a not-for-profit corporation under New York State law in 1954 and has been recognized as a tax-exempt charitable organization under section 501(c)(3) of the Internal Revenue Code and under Public Charity Status 170(b) (1) (A) (vi).

**2. Summary of Significant Accounting Policies**

The summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. They are presented in accordance with the provisions of Accounting Standards Codification 958, "*Financial Statements of Not-For-Profit Organization*". Under the provisions of Codification 958, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of The Organization and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed restrictions, but may be designated for specific purposes by the action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

*Temporarily Restricted Net Assets* - Net assets subject to donor-imposed restrictions that may can be fulfilled either by actions of the Organization pursuant to those stipulations and/or the passage of time.

*Permanently Restricted Net Assets* - Net assets subject to donor-imposed restrictions that the Organization maintains. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes (see note 6).

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

*Restricted Grants and Contributions* – Grant awards require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions could result in return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The American Mental Health Foundation, Inc. management is of opinion that the Organization has complied with the terms and conditions of all the grants.

## **2. Summary of Significant Accounting Policies (continued)**

### Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash and cash equivalents are defined as demand deposits at banks and certificates of deposit with purchased maturities of less than ninety days.

### Inventory

Inventory consists of books purchased and those produced by the Organization that is carried at the lower of cost or fair market value.

### Office Furniture and Equipment

Purchases of property and equipment are recorded at cost. Assets acquired by contribution of bequest are stated at fair value at the date of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.

### Revenue Recognition

Contribution is recognized when the donor makes a promise to give that is, in substance, unconditional. Grant revenue is recognized as earned expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation. In accordance with the provision of Accounting Standards Codification 9598-608, "*Accounting for Contributions Received and Contributions Made*", contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

### Donated Facilities and Services

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Donated services are recognized as contributions in accordance with the provision of Accounting Standards Codification 958-605, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

During the year ended October 31, 2013, the value of donated services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Costs are allocated between fund-raising, management and general expense or the appropriate program based on evaluations of the related benefits and actual hours. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.



## 2. Summary of Significant Accounting Policies (continued)

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimate include the allocation of functional expenses.

### Investments

The Organization's securities investments that are bought and held principally for the purpose of selling them in the near term are classified as trading securities. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the year reported on the statement of activities as realized and unrealized losses of \$18,708.

Fair Value of Financial Instruments – On November 1, 2009, the Organization adopted Accounting Standards Codification 820, *Fair Value Measurements*. This Statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements.

On November 1, 2009, the Organization adopted Accounting Standards Codification 825, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of Accounting Standards Codification 320*. A provision of Codification 825 permits an entity to measure financial instruments and certain other items at estimated fair value. Most of the provisions of Codification 825 are elective; however, the amendment to Accounting Standards Codification 320, *Accounting for Certain Investments in Debt and Equity Securities*, applies to all entities that own trading and available-for-sale securities. The fair value option created by Accounting Standards Codification 825 permits an entity to measure eligible items at fair value as of specified election dates. The fair value option (a) may generally be applied instrument by instrument, (b) is irrevocable unless a new election date occurs, and (c) must be applied to the entire instrument and not only to a portion of the instrument. The adoption of Accounting Standards Codification 825 did not have a significant impact on the Organization's results of operations and financial condition.

The Organization's financial instruments consist principally of cash and cash equivalents. The Organization believes all of the financial instruments' recorded values approximate fair value.

## 3. Investments

	<u>2013</u>	
	<u>Acquisition Cost</u>	<u>Fair Market Value</u>
Corporate Bonds	\$ 584,363	\$ 597,435
Total Investments	<u>\$ 584,363</u>	<u>\$ 597,435</u>

#### **4. Defined Contribution Pension Plan**

The Organization sponsors a defined contribution pension plan, contributions to the plan for the year ended October 31, 2013 was \$913.

#### **5. Concentration of Credit risk**

The organization maintains accounts at both Citibank, an institution insured by the FDIC up to \$250,000. Cash at this institution did not exceed the federally insured limits at October 31, 2013.

The Organization also maintains brokerage accounts at Morgan Stanley Smith Barney, an institution insured by the Securities Investor Protection Corporation (SPIC) up to \$500,000 including a \$250,000 limit for cash. Securities at these exceed the federally insured limits by \$97,435 at October 30, 2013.

#### **6. Income Taxes**

The Organization is exempt from federal and state taxes under 501 ( c ) ( 3 ) of the Internal Revenue Code, and the not-for-profit corporation laws of New York State, and is considered by the Internal Revenue Service to be an Organization other than a private foundation. As of November 1, 2009 the Organization adopted the Financial Standards Codification 740, *Accounting for Uncertainty in Income Taxes*. The standard addresses the accounting for uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in the tax returns. Financial Standards Codification 740 also provides related guidance on measurement, classification, interest and penalties, and disclosure. There was no material impact to the Organization's financial statements as a result of the adoption of Financial Standards Codification 740. The past three years remain open for examination by the tax authorities (Form 990 & NY-CHAR500).

#### **7. Program Endowment, Restricted**

On February 13, 2008, the Organization received an endowment of \$105,410. from Baschkopf Trust, to establish The Baschkopf Family Fund, the principal of which is to remain endowed in perpetuity, the income only of which is to be disbursed no less than annually, for unrestricted charitable purposes.

#### **8. Related Party Transactions**

The Organization rents space from Booklight, Inc., an S corporation of which 51% is owned by the Vice President of American Mental Health Foundation, Inc. Booklight, Inc. also provides website & publishing services to American Mental Health Foundation, Inc. Total payments to this vendor for the year ended October 31, 2013 was \$12,321.

#### **9. Research**

To design and implement an evaluation and intervention program for both children and adolescents, at risk for psychotic disorders and their families.

#### **10. Subsequent Events**

The Organization has evaluated all subsequent events, through the date of this report, and determined that there are no material recognized or unrecognized subsequent events warranting adjustment or disclosure.